

Mr. SCOTT of Virginia: Mr. Chairman, I offer this amendment today to propose what I believe would be a proactive solution for homeowners when they face unforeseen disasters. My amendment will simply ask the GAO to report to Congress the means and effects of facilitating a market for all-peril insurance policies. This amendment comes directly from an issue faced by many of my constituents and in nearly 4,000 households around the country--problems associated with the unforeseen disaster caused by the use of toxic Chinese drywall.

Over the last 5 years, nearly 4,000 homes in over 40 States have been discovered to contain toxic Chinese drywall. This drywall has been tested by the Consumer Product Safety Commission and has been found to be responsible for hazardous chemicals oozing into these homes. Americans living in these homes have experienced everything from cold and flu-like symptoms to migraine headaches, chronic nosebleeds, gastrointestinal problems, and other debilitating symptoms.

Homeowners with homes tainted with toxic drywall have had the expectation that the costs associated with remediating their home would be covered by their homeowner's insurance policy. But virtually all of their policies exclude from coverage many of the different classes of damages. In the case of Chinese drywall, a standard homeowner's policy does not cover "losses to property resulting from faulty zoning, bad repair or workmanship, faulty construction materials, or defective maintenance." And so these families are stuck with paying mortgages and have homes that are essentially uninhabitable.

This problem is not limited to just Chinese drywall. In the aftermath of hurricanes, many homeowners discover that they are not covered for water damage and frequently have to argue whether or not their home was destroyed by water or by wind. Sinkholes, which are normally associated with areas with histories of mining or seismic activity are springing up outside of these typical areas, and homeowners are learning the hard way that they are not covered by damages caused by them.

I believe that homeowners need all-peril insurance, insurance that covers homeowners from catastrophic losses regardless of cause, provided, of course, that the homeowners did not cause the loss themselves.

All-peril plans would be supplemental insurance policies that would cover losses resulting from any of the causes currently excluded from the standard homeowners policy. These policies could be limited to catastrophic losses and provide for substantial deductibles and possibly only cover losses that rendered a property uninhabitable.

With that in mind, Mr. Chairman, my amendment would direct the GAO to fully study the implications of an all-peril policy. Why can't a policy be bought now? Is there no interest in it? Could the Federal Government successfully market the plans with the private sector? I feel that

answers to these questions are needed.

What we do know is that when circumstances beyond a homeowner's control make a home uninhabitable, the last thing they want to do is look through a policy and find that their completely destroyed home isn't protected by the insurance policy that they bought. It is for this reason that I offer the amendment, Mr. Chairman, for a GAO study and ask that the amendment be adopted.